



GOVERNOR'S OFFICE OF ENERGY

**DETERMINATION OF THE ENERGY DIRECTOR NOT TO PREPARE SMALL BUSINESS
IMPACT STATEMENT REGARDING A REGULATION PROPOSED BY THE NEVADA
ENERGY DIRECTOR**

Pursuant to Nevada Revised Statutes ("NRS") 233B.0608 (1), the Nevada Energy Director ("Director") is required to make a determination whether the proposed regulations to adopt the 2012 International Energy Conservation Code will: (a) impose a direct and significant economic burden upon small business, and (b) directly restrict the formation, operation, or expansion of small business.

On November 22, 2013, a staff member of the Governor's Office of Energy, pursuant to NRS 701.330(2), completed an investigation and analysis to determine whether the proposed regulations are likely to impact small businesses. The staff member submitted a Small Business Impact Report to the Director. The report contained the following findings:

- 1) Several studies were previously done by the US Department of Energy and other states to determine the potential impact of the proposed regulations on small business;
- 2) Participants in these studies included members from all stakeholders, including the construction industry, government code officials, regulatory groups, and small businesses.
- 3) NRS 701.220 is the primary driver of any effects, positive, or negative on small business. The proposed regulations only carry out the intent of the statute by adopting the 2012 version of the IECC.
- 4) As was found with the 2009 IECC, any definitive measure of the incremental impacts (i.e., the difference between the IECC in place currently and the 2012 IECC) on small businesses as a result of the proposed regulations is indeterminable at this time. However, any negative effects would also have to be balanced against potential positive effects. The negative effects would include higher costs incurred for new construction and retrofit projects. The positive effects would include increased business for energy efficiency auditors, builders and retrofit contractors that are small businesses. Further, small businesses required to install IECC compliant materials, fixtures, and other compliant items, will likely see some positive effects from energy efficiency, which may include lowered utility bills. However, as stated, the magnitude of these effects is indeterminable at this time.

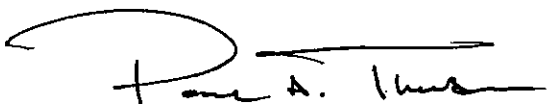
- 5) The 2012 IECC has already been adopted by several local jurisdictions, so small businesses are already subject to its provisions not as a result of the proposed regulations.

Staff recommended that, in accordance with NRS 233B.0608(1), the Director find that the proposed regulations are not likely to impose a direct or significant economic burden on a small business, nor to restrict the formation, operation or expansion of a small business.

THEREFORE, the Director of the Governor's Office of Energy makes the following determination:

The Director accepts Staff's recommendations and finds that based on current information available on the 2012 IECC, the proposed regulations are not likely to impose a direct or significant economic burden on a small business, nor to restrict the formation, operation or expansion of a small business. Therefore, a small business impact statement pursuant to NRS 233B.0608(2) is not required at this time. The Director and staff will continue to follow this issue as the new code is proposed in public hearings to determine if data is available that would prove contrary to this finding and will reconsider this determination at that time.

Governor's Office of Energy


Paul Thomsen, Director

11/22/2013.
Date